Sniper Course: Basic Infantry

Tuesday, October 01, 2013   6:30 PM

- When yields are rising, price will try to chase it or seek yield.
- We had a premise in mind based on analysis of the interest rate market and how it would have a magnetic pull upwards.
- When the 10 year t-note futures market is moving lower, that means the yields are moving higher. That is bullish for foreign currencies and bearish for the US Dollar.
- When the 10 year t-note futures market is moving higher, that means the yields are moving lower. That is bearish for foreign currencies and bullish for the US Dollar.
- When we have a bullish bias from the yields we will focus mainly on the long side of trading. This does not mean to ignore all sell signals, but that your long signals should get maximum risk (2%) and short signals should probably be lower risk trades.



- Any swing high or low inside the London Kill Zone and the New York Kill Zone is useful.
- Below is an example of using a swing low that formed in the previous day's New York Kill Zone to draw a Fib from, you would draw the Fib to the highest high before the London and New York kill zones and get an OTE for a long to get in sync with the bullish directional bias:



- If you hunt during the kill zones you will find a lot of very good setups, it will not give you every single setup in the market place.
- If price violates a high or low by a little bit, it is usually a precursor to something pretty significant.
- When levels are too clean you can expect a pocket of stops to be sitting right above or below the level and the market will gun to take those out.
- If you ever see a discernible level of support or resistance that is very obvious, you can use a Fib to pull from that level.. example below:

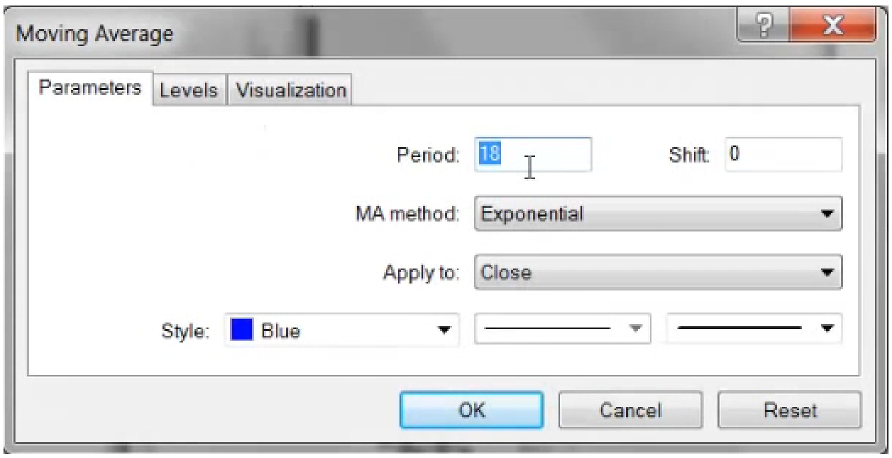


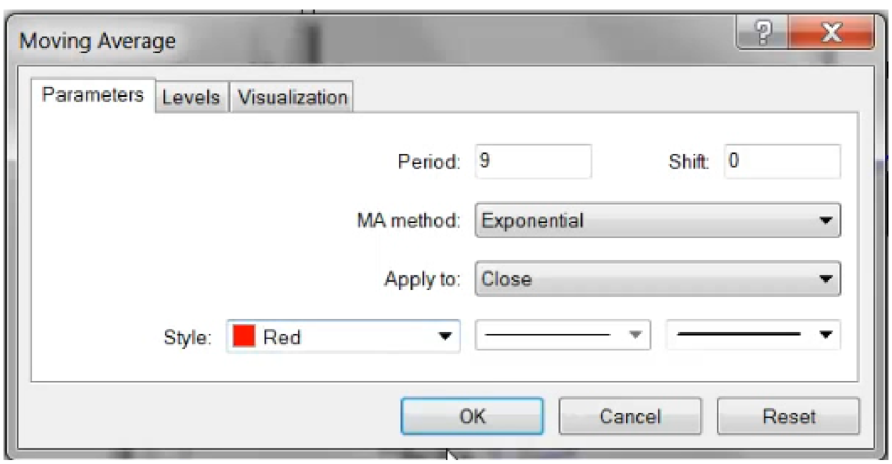
- After a large daily range there will be some rebalancing and consolidation as traders reflect on whether the move was valid or really needed. Expect small ranges after and then look for discernible signs that we have an opportunity to trade again.
- We expect profit taking at 15:00 GMT.
- There will be a growing period for you which will only come from being in front of the charts.
- When the smart money enters the market, it is like an elephant entering a kiddy pool. They leave major footprints.
- Long term trends are the result of the large institutional smart money investors. They keep momentum moving in one direction or the other until something happens fundamentally or technically.

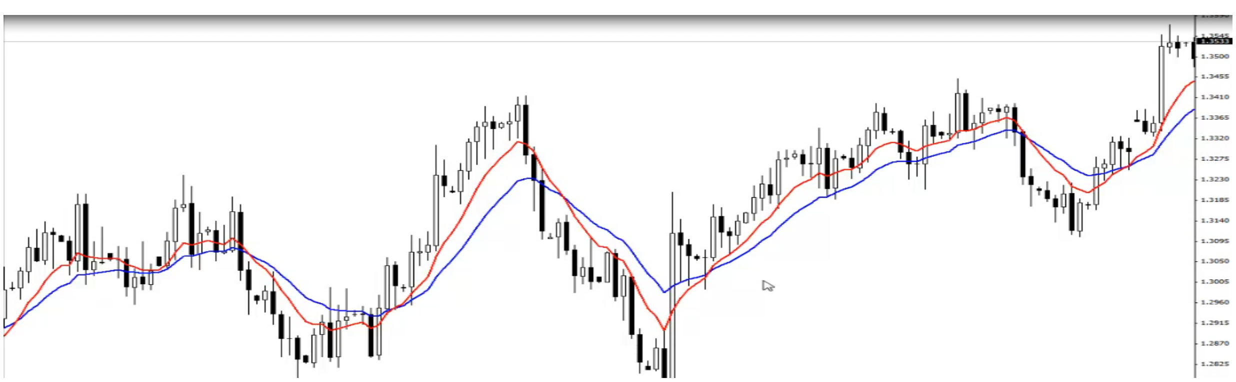
- Our job as traders is to get involved with what those smart money traders are doing.

What makes a trade high probability?

- It is in sync with what the high time frame charts are telling us.
- It is also in sync with what the current market environment is (risk on/risk off).
- Directional bias can be formed based on an understanding of higher time frame charts, support & resistance, price action, and the overall tendency that the market will continue to move in 1 direction until something of equal or greater effect that will shift the tide on the higher level charts. With this understanding, every little minor move on the lower time frame charts are meaningless in regards to the higher time frame unless you understand how to apply them.
- Economic reports are injections of volatility and you look for them to set up a continuation of a move that is already in place.
- Just look for one really good setup per week, but monitor and watch the market every day.
- The daily is the go-to higher time frame chart.







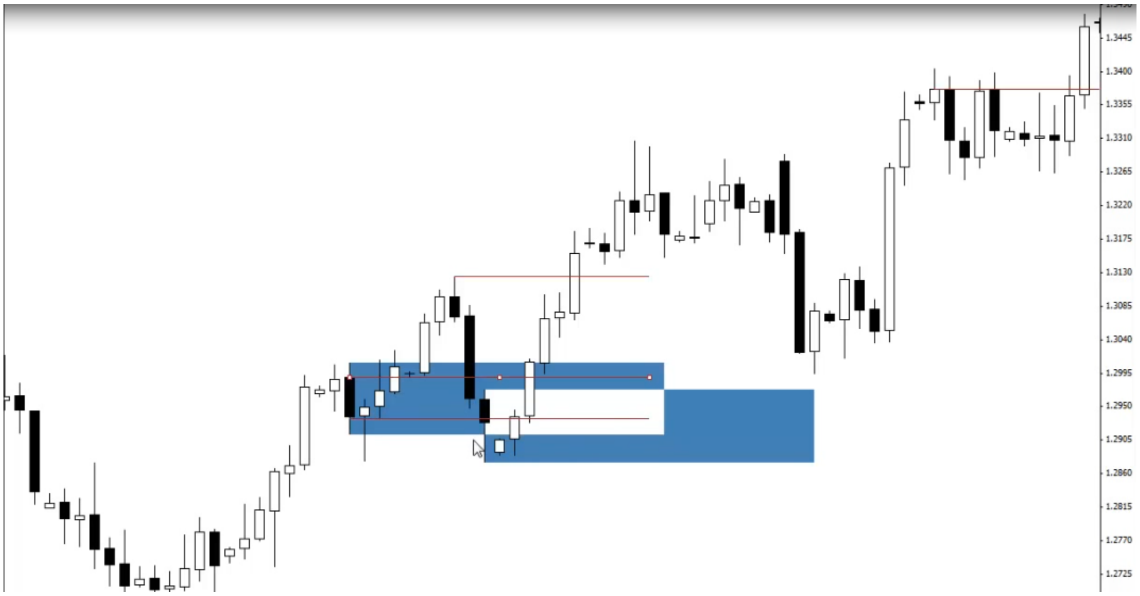
- If you can't see the price swings on a naked chart, the moving averages should be able to show it to you.
- Using this Moving Average setup, you will not miss the 2-4 really handsome setups per month. That is roughly 1

shot, 1 kill, per week.

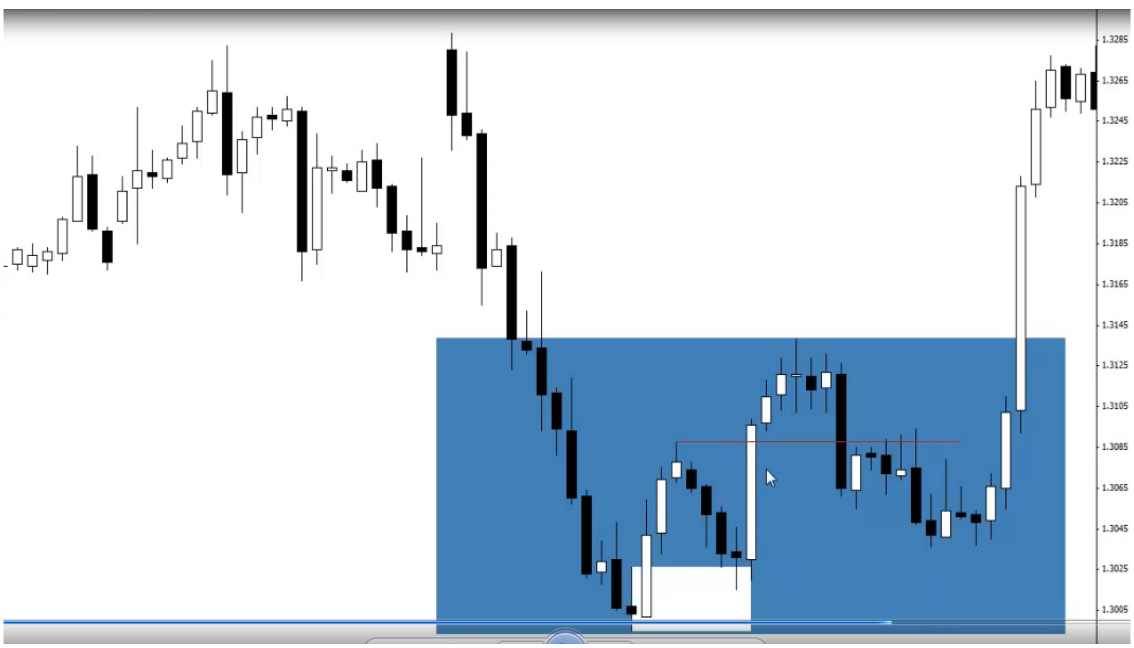
- That's all you need to make a career. A wildly successful trading career.
- If you consistently draw 50 pips out of the market place every week and you know how to control your equity, you have no idea where that can take you.
- The hardest thing to overcome is wanting that feeling to have a big winning trade and itching to be in the market.
- You need to act slow when you are trying to make money and react fast to preserve or protect your equity.
- When the 9 period moving average is below the 18 period moving average, that establishes a bearish framework or a sell program.
- You will want to be selling rallies at this point.
- This should keep you on the right side of the market place.
- Avoid the notion of feeling that you have to pick the tops and the bottoms in the market place.
- You will be trading a maximum of a few times a week.
- 12-14 trades in a month is a busy trader.
- When the 9 period moving average is above the 18 period moving average, that is the framework to be a buyer.
- This moving average method is applied to the Daily chart.
- Do not worry about catching the turning points.
- The 18 period moving average acts as dynamic support & resistance.
- When swing highs are taken out, that is momentum to the upside.
- A 5 candle pattern is not required to qualify as a fractal or swing point.
- Look for the moving average buy and sell program concept to align with broken market structure concepts on the daily chart to confirm directional biases.
- You need institutional sponsorship in your trades.



- The chart above shows institutional sponsorship because it reacted sharply and started moving up and then began consolidating. Institutional traders are building up positions in the consolidation.
- If price can come back to a key level of support & resistance, sweep through it one more time, and then fail to keep going, then it is generally a stop raid and they are getting ready to do a major re-pricing in the opposite direction.
- Smart money or professional traders do their buying on down moves. They sell while the market is rallying up. We want to be doing the same thing.



- The image above shows the bearish candle before a rally is where the institutional order blocks are sitting. That bearish candle is where you would have your expectancy of market structure shifting bullishly.
- Institutional order blocks are used as retracement opportunities.
- Daily and 4 hour charts help you hold on to a longer term perspective. You are less likely to be lulled into swinging back and forth with your bias on a daily basis (being bullish one day and bearish the next).



- If you see market structure break like it does in the image above on a 4 hour chart and you are still overall bullish on the daily time frame, then GET READY! That is a very powerful pattern.
- You can bring the institutional order blocks down to lower frames as well and fine tune it to the first bearish candle before the rally on those time frames.
- You will want to look to get into your trade somewhere in that order block, but preferably a price point that lines up with a Fibonacci ratio, pivot point, round number, etc.
- That candle is also called the "point of origin."